

Message Text

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47

ACTION NEA-10

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E.O. 11652: NA
TAGS: ASCH EG
SUBJECT: AUC PROTOCOL WITH GOE

REF: A. STATE 296443; B. CAIRO 11658

1. INCLUSION OF TAX OBVIATION PROVISION IN AUC
PROTOCOL WAS FIRST REPORTED IN CAIRO 11597. PRIOR
TO SUBMISSION OF DRAFT PROTOCOL TO APPROPRIATE GOE
AUTHORITIES, AUC PRESIDENT BYRD DISCUSSED SUBJECT
WITH ME AND, ALLUDING TO FACULTY (ESPECIALLY EGYPTIAN)
PRESSURE TO TRY OBTAIN TAX OBVIATION,
INQUIRED ABOUT MY VIEW. I TOLD HIM I THOUGH GOE
WOULD NOT AGREE, BUT SAW NO HARM IN TRYING TO NEGOTIATE
SUCH A PROVISION. BYRD THEREUPON DID SO AND THE AUC
PROTOCOL, WITH SUCH A PROVISION INCLUDED, WAS EVENTUALLY SIGNED
BY DEPUTY PRIMEMIN/MIN HIGHER EDUCATION HAFIZ GHANEM
SUBJECT TO GOE RATIFICATION. AT THE TIME GHANEM
APPARENTLY EXPRESSED NO OBJECTION TO THE PROVISO.

2. SUBSEQUENTLY, AS REPORTED REF B, GHANEM SEEMS TO
HAVE HAD SOME SECOND THOUGHTS ABOUT IT. APART FROM
COMPLICATING GOE RATIFICATION PROCESS, HE TOLD ME THAT
PEOPLES ASSEMBLY WOULD NEVER PERMIT TAX OBVIATION
PROVISION TO APPLY TO EGYPTIANS. WHEN I ASKED WHY
GHANEM HAD NOT SO INDICATED TO BYRD DURING PER-
TINENT NEGOTIATIONS, HE STATED SOMEWHAT LAMELY THAT HE
HAD NOT WANTED "TO MAKE TROUBLE".

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3. I TOLD BYRD ABOUT GHANEM'S OBSERVATIONS. BYRD

INDICATED THAT TAX OBLIGATION PROVISION WAS INCLUDED MAINLY FOR THE BENEFIT OF EGYPTIAN, NOT AMERICAN, EMPLOYEES. IF EGYPTIAN ARE TO BE EXCLUDED, THEN HE FELT THE BEST THING IS TO DROP THE TAX OBLIGATION PROVISION. WE AGREED, HOWEVER, THAT BEFORE TAKING THE STEP OF DROPPING THAT PROVISION, HE OUGHT TO GIVE THE EGYPTIAN AUTHORITIES ANOTHER OPPORTUNITY TO RAISE THE SUBJECT WITH HIM. TO THE BEST OF MY KNOWLEDGE, THEY HAVE NOT YET DONE SO, BUT BYRD HAS BEEN AWAY FOR SEVERAL WEEKS.

4. I HAVE NOT DISCUSSED THE SUBJECT FURTHER WITH GHANEM, SINCE I AM STILL AWAITING A REPLY TO REF B. MY RECOMMENDATION TO AUC BOARD WOULD BE TO GIVE BYRD DISCRETION TO KEEP OR DROP THE PROVISION DEPENDING UPON A FURTHER DISCUSSION WITH GHANEM. IF THE PROVISION WERE DROPPED, GHANEM TELLS ME THE PROTOCOL COULD BE APPROVED THROUGH A SIMPLE PRESIDENTIAL DECREE WITHOUT SUBMISSION TO THE PEOPLES ASSEMBLY. LATTER IS A CUMBERSOME PROCESS ALWAYS FRAUGHT WITH UNCERTAINTIES.

EILTS

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